PECI Conference 2004

Productivity Leadership

AIR FORCE
PRODUCTIVITY
A Way To The Future

PECI Conference 2004

Conference Overview

Conference Welcome

- Welcome
- Administrative Announcements

Conference Theme – 'Productivity Leadership'

- What is Leadership?
- Relevance to PECI Program
  - Basis of Success
  - Foundation + Vision
- Leadership Success – Other Areas
  - Examples
  - Points to Ponder

Conference Theme – 'Productivity Leadership'

- Selected Leadership Areas:
  – Commitment
  – Communication
  – Competence
  – Focus
  – Initiative
  – Listening
  – Relationships
  – Responsibility
  – Vision

AIR FORCE
PRODUCTIVITY
A Way To The Future

Conference Theme – 'Productivity Leadership'

- Areas of Focus
  - Improve PECI Productivity
  - Help Others Achieve Success
  - Self-Improvement
- PECI and Beyond
  - Examples
  - Points to Ponder

Conference Theme – 'Productivity Leadership'

"The Greatest Discovery of my Generation is that Human Beings can Alter Their Lives by Altering Their Attitude of Mind"

William James

Conference Agenda

- PECI Status and Issues
- Share PECI Success
- PECI Facts and Prophecies
- Productivity Leadership
- PECI Tools and Resources
- Goals and Strategy to Achieve
- Conference 'Take-Away'

PECI Conference 2004

PECI Program Review

Current Program Overview

- New Rule on the Use of 3080 Funds
- Requirements and Offsets
- Process for Programming PECI Funds
- Use of PECI Funds
- Transfer of PECI Funds for APPN 3400 and 3080
- PECI Criteria
- Funding Profile
- Obligation Rules
- Obligation Rates
- Participation Rates
- Items for Discussion

New Rule on the Use of 3080 Funds

- Equipment that is centrally procured and centrally managed or has an investment unit cost exceeding $250,000 (threshold) must be funded with 3080 funds versus $100,000 threshold previously established.

New Rule of 3080 Funds

- Impact on PECI
  - All FASCAP projects will now be funded with 3400 funds
  - All projects funded with 3080 funds will be PIFs
  - MAJCOMs will be allocated a minimum of $250K at the beginning of the FY

Programming Requirements and Offsets (Data Call)

- Every even-numbered year (two years), HQ USAF requests Commands identify next two-year requirements with next two-year offsets for the sustainment of the PECI program.

  – Requirements and offsets have to be submitted using format at Attachment #2 to AFI 38-301

Programming Requirements and Offsets (Data Call)

- Amount of offsets is equal to the requirements plus inflation
  - For Manpower Offsets
    - For Military (Officer and Enlisted), and Civilian offsets, you must use the standard composite pay rate for the years that the offsets are programmed.
  - For Dollar Offsets
    - Self-explanatory. The dollars are programmed in the years identified as offsets.

Air Staff Process for Programming PECI Funds

- Every two years, PECI requirements and offsets are loaded into RAPIDS using a change control number (CCN)
  - Slides are submitted to SAF/FMB and to the PEMs for their coordination
  - Once approved, RAPIDS slides are forwarded to the Personnel and Training Panel for review
  - The P&T Panel briefs the slides to the Assoc. Dir., Plans and Programs, justifying why those actions should be taken
  - After the Assoc. Dir. votes, the decision is fed into ABIDES, which flows to CS, SECAF and OSD for approval, then to Congress

Use of PECI Funds

- Funds are distributed at the beginning of the fiscal year
- At that time, an Obligation/Execution Plan should be developed to show how the Command expects to spend those funds
  - It is now a requirement for 3080 funds
- If funds cannot be used by the end of second quarter, contact other Commands to ask if they want to swap
- Contact the Air Staff if you do not plan to use the funds by the end of the third quarter

Transfer of PECI Funds Appropriation 3400

- HQ USAF/DPMR sends e-mail to SAF/FMBOP requesting transfer of funds

- The FM Analyst notifies HQ USAF when the Command should received the action

- SAF/FMBOP process Blue Sheet and forwards to SAF/FMBOI who releases the funds to the Command by OAC and PE

Transfer of PECI Funds Appropriation 3080

- HQ USAF/DPMR sends e-mail and AF Form 743 TO AF/ILPR requesting transfer of funds

- Once the action is approved, AF/ILPR will forward a Program Authorization (PA) to HQ USAF/DPMR

- AF/ILPR forwards PA to SAF/FMBI who, in turn, will forward a Budget Authorization (BA) issuing funds to the MAJCOM in BPAC 845380, DOD PE 91215F

PECI Criteria

PROGRAM	PIF	FASCAP
Proj. Size ($K)	= or > 200	<200
Amortize	4 Yrs	2 Yrs
Appns	3080/3300	3400
Savings	3400/3600 Hard $	3600 Hard $
Appv Auths	AF	MAJCOM/FOA/DRU

Actual PECI Dollars ($M)

Program	FY02	FY03	FY04
PIF	11,708	1,727	5,861
FASCAP	4,987	14,408	7,976
TOTAL	16,695	16,135	13,837

Projected Funding ($M)

	FY05	FY06	FY07	FY08	FY09
TOTAL	13,521	16,781	15,867	7,754	7,937

Obligation Rules

- 3400 FUNDS
  - **MUST BE** obligated at 100% by the fourth quarter of the FY
- 3080 FUNDS
  - **MUST BE** obligated at 80% during the first or execution year, (i.e., FY 04)
  - **MUST BE** obligated at 90% for the second year, (i.e., FY 03)
  - **MUST BE** obligated at 100% for the third year, (i.e., FY 02)

Slow Obligation Rates Obligation Rates for 3080 Funds

	FY02	FY03	FY04
Current Program ($M)	7.8	7.3	6.1
Obligated	7.4	6.3	0.0
Percent (%)	95%	86%	

- Distribution: PIF - $3.0M ($3.1M reduction)
- OSD Obligation Rates: 1ST YEAR - 80%, 2ND YEAR - 90%, 3RD YEAR - 100%
- Austere fiscal environment – *Can't afford low obligation rates*

PRODUCTIVITY INVESTMENTS-PIF/FASCAP (3080)

- FY 04 Obligation Rates (A/O 31 May 04):

CMD	ALLOC ($K)	COMM ($K)	OBL ($K)		%OBL
ACC	750	750	0	**(600)**	%
AETC	550(-250)	0	0	**(240)**	%
AFMC	250	250	0	**(200)**	%
AFSPC	250(-250)	0	0	**0**	%
PACAF	592(+500)	$1.2M	0	**(960)**	%
USAFE	369	280	0	**(295)**	%
11WG	0	0	0	**0**	%
TOTAL	2.75M	$M	0	**(2.295M)**	%

PARTICIPATION RATES

- Participation rates were better in FY 03

CMD	FY02	FY03	FY04 (Projected)
HQ USAF	1	0	0
ACC	8	22	6
AMC	5	5	4
AETC	8	6	2
AFSPC	4	1	3
AFMC	5	3	5
PACAF	9	8	2
USAFE	6	6	2
TOTAL	46	51	24

Items for Discussion

- Projects loaded in PECI PDS that are under consideration and not approved
- Operational date on AF Form 3547s
- Execution of Funds for FY02 and FY 03
- Failure to participate in the PECI Program

PECI Conference 2004

PECI Command Briefings

PECI Command Briefings

Kurt Morio

HQ USAFE

Kurt Morio, FY 03 HQ USAFE Successful PECI Projects

- 03-F-001, Digital LMRS, GPS, and ARMS Equipment
- 03-F-002, TAS
- 03-F-003, Air Conditioning Support for 48FW
- 03-F-004, 52 LRS Storage Material Movement Equip.
- 03-F-005, 52 LRS Customer Ctr Enhancement
- 03-F-006, Replacement of Emergency Cooling Unit

FY 03 HQ USAFE Successful PECI Projects

- 003-F-002, TAS, Tool Accountability System Tracking Program

- Investment Costs: $194,405

- Life Cycle Savings: $ 488,885

- Payback Period; 23.9 months

- Savings: O & S

- Appropriation: 3400

FY 03 HQ USAFE Successful PECI Project, TAS - FASCAP

- **STEP 1**: Command Project Officer determined individual base's needs by creating an investment cost detail for all bases.

- **STEP 2**: FASCAP project submitted

- **STEP 3**: After Approval, Finance transferred funds to each base Finance office who allocated the funds to each unit

FY 03 HQ USAFE Successful PECI Project, TAS-FASCAP

- **STEP 4**: Project Officer requested additional funds - Not Accepted unless project becomes a PIF
- **STEP 5**: Project Officer PCS'ed; Result: Loss of visibility over the funds obligated and committed
- **STEP 6**: The contracting office started calling because they required a letter of receipt for contracted items that have been shipped, so they can pay the vendor

FY 03 HQ USAFE Successful PECI Project, TAS – FASCAP

- **STEP 6**: Finance started calling because invoices were more than 65 days old and started collecting interest
- **STEP 7**: Coordinated Actions between MAJCOM Finance, Base Finance, Functionals to submit proper documentation (e.g. invoices, receiving reports, non-receiving reports)
- **LESSON LEARNED**: Ensure Your Project Officer is available for the entire time until project amortizes and is totally complete!

PECI Command Briefings

Gary Crenshaw

ACC/XPMMP

PECI Success Story

- 84TH RADAR EVALUATION SQUADRON (84 RADES)
- To ensure long-range radar sensor operational availability and aerospace defense, counter-drug, search and rescue, and flight safety information assurance to the operations community

PECI Success Story

- COMACC directed comprehensive review of the 84 RADES mission
- Major restructure with focus on core mission support and technology advances
- Transition from a manpower intensive operation to one more dependent on automated tools
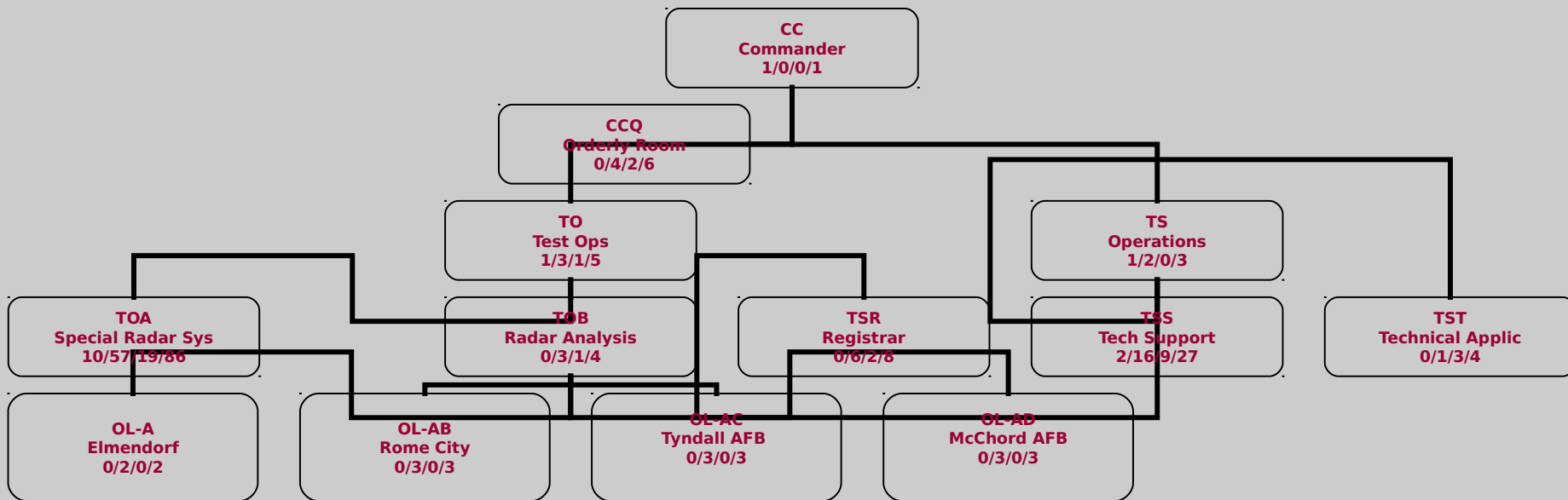
PECI Success Story

- Required a reduction of 74 manpower positions

- Required major investment in technology

- Submitted 14 FASCAP projects for $2.28M, using 18 manpower positions

- Life cycle savings $12.38M

84th RADES (Previous)

CC
Commander
1/0/0/1

CCQ
Orderly Room
0/4/2/6

TO
Test Ops
1/3/1/5

TS
Operations
1/2/0/3

TOA
Special Radar Sys
10/57/19/86

TOB
Radar Analysis
0/3/1/4

TSR
Registrar
0/6/2/8

TSS
Tech Support
2/16/9/27

TST
Technical Applic
0/1/3/4

OL-A
Elmendorf
0/2/0/2

OL-AB
Rome City
0/3/0/3

OL-AC
Tyndall AFB
0/3/0/3

OL-AD
McChord AFB
0/3/0/3

TOTAL: 15/103/37/155

84th RADES (Current)

```
                          ┌─────────────────┐
                          │      CC         │
                          │   Commander     │
                          │    1/0/0/1      │
                          └────────┬────────┘
              ┌──────────────┐     │
              │     CCQ      │     │
              │ Orderly Room │     │
              │   0/2/1/3    │     │
              └──────────────┘     │
         ┌──────────────────┬──────┴──────┬────────────────────┐
         │                  │             │                    │
┌────────────────────┐  ┌──────────────────┐  ┌──────────────┐
│       SCA          │  │      SCM         │  │     SCZ      │
│ Analysis and Prgm  │  │ Mission Systems  │  │  C2 Systems  │
│      0/2/4/6       │  │   0/14/22/36     │  │  4/13/10/27  │
└────────────────────┘  └──────────────────┘  └──────────────┘
```

OL-A	OL-AB	OL-AC	OL-AD
OL-A Elmendorf 0/2/0/2	**OL-AB** Rome City 0/2/0/2	**OL-AC** Tyndall AFB 0/2/0/2	**OL-AD** McChord AFB 0/2/0/2
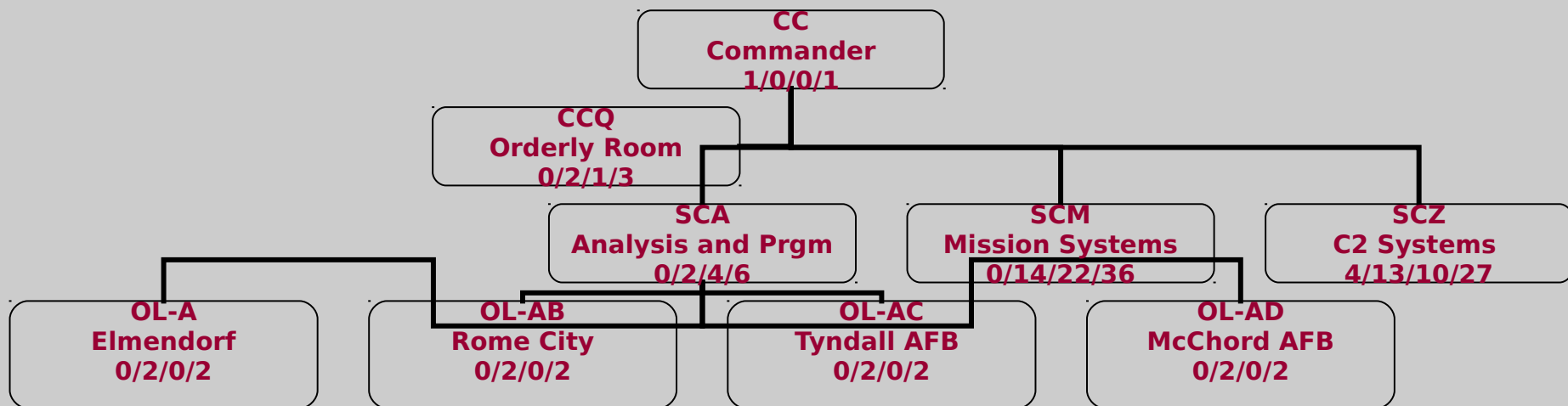
Total: 5/39/37/81

PECI Success Story

- Major undertaking – not simple projects

- One project operational, 6 by Sep 04

- Receive monthly status report and participate in monthly conference call

PECI Command Briefings

Modernizing Combat Communications in Korea
Traci Hunter
PACAF/XPMI

Background

- This was identified as a POM Initiative
- Traded 3400 funds for 3080 funds
- FY03 Funds were utilized

Manpower

- HQ PACAF/SC turned in 30 manpower authorizations for the first PIF project
  - Annual savings of $1.8M
- HQ PACAF/SC turned in 136 manpower authorizations for the second PIF project
  - Annual Savings of $8.9M

Intent of Project

- Support the fielding of a Ground-Multi Band (GMT) satellite hub terminal in FY05

- Modernize the infrastructure to support higher bandwidth

- Satisfy "Day 0" communications requirements

- Provide an interface between tactical and fixed communications

Expected Benefits

- 600% increase in bandwidth
- Enable rapid equipment deployment and set-up
- Current equipment suite only operates on military satellites and new equipment works on military or commercial

Intent of Project

- Install a back-up to Osan
- Modernize the satellite equipment at the COBs
- Provide redundancy in the loss of the Osan hub

Expected Benefits

- By upgrading the infrastructure it allows for downsizing the 607 CBCS

- Increased capabilities
  - Bandwidth
  - Smaller equipment footprint
  - Interface between tactical and fixed communications

PECI Conference 2004

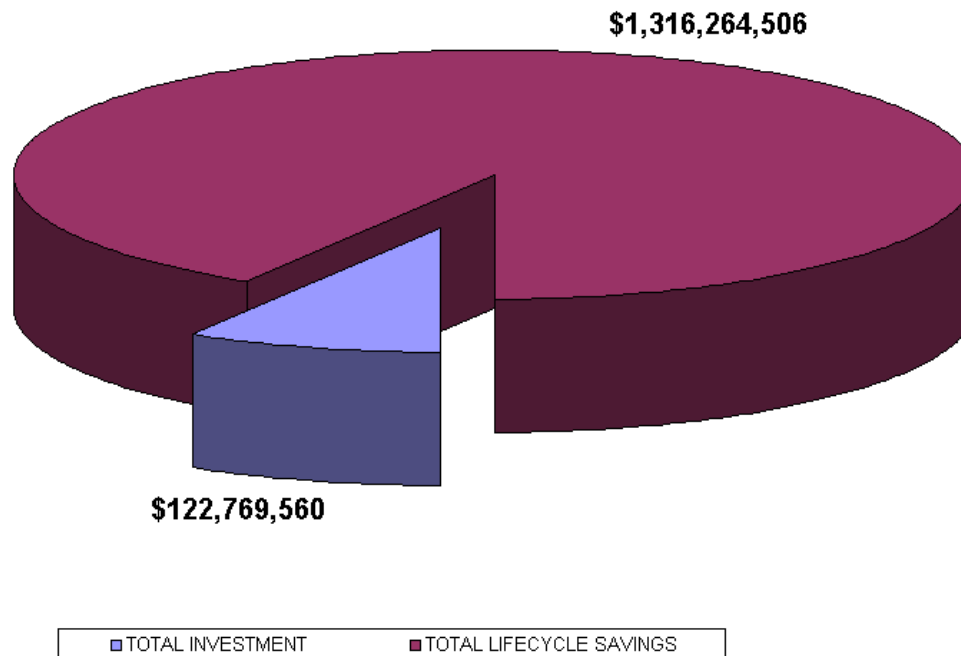**Interesting PECI Facts, Statistics and Prophecies**

Relevant Facts and Statistics

- Overview of PECI statistics to include:
    - Investment $$ and Lifecycle Savings (1997 - 2003)
    - Big Picture Historical View (Pre-1997)
    - Stock Market Comparison

Total Investment and Savings

TOTAL PECI INVESTMENT v. SAVINGS (FY97 -- FY03)

$1,316,264,506

$122,769,560

■ TOTAL INVESTMENT   ■ TOTAL LIFECYCLE SAVINGS

PECI Conference 2004

PECI: Proven Results

- Last 5 Years similar to PECI History

- Good Years and Great Years

- Total LifeCycle Savings (since 1977): $9.8 Billion

- PIF has much few projects but generates much higher ROI

- Total ROI is about 10:1

PECI vs. Stock Market

- ROI of 10.1 equates to an annual return of **_nearly 23%_**
- Consider a retirement investment strategy with PECI results.......
- Assume: $50K annual salary
- Assume: TSP 5% contribution and 5% gov. matching
- 25 Year investment

PECI and the Stock Market

- Savings at Retirement = $2.6M
- Annual interest = $600K
- 25 × $5K = $125K

Program Support, Internal Support

- Varying degrees of PECI understanding and support, but generally good
  - – Based on knowledge/experience of PECI Program
  - – Solid working relationship with FM is key
  - – Other Functionals important

Program Support, External Support (Bases)

- Typically, majority of projects from HQ or few bases
  - Based on knowledge/experience of PECI Program
  - Prior PECI projects
- IDEA Program relationship
- Base PECI Analyst has multiple responsibilities
  - Varying levels of PECI understanding/training
  - Often little or no financial/budgeting background
  - 'Cross-training' in manpower field
- Strong correlation between Base Commander Support and PECI
  - Exists when commander has experience with PECI -- usually positive (saving $$)

Promoting and Publicizing PECI

- Variety of Promotional Material
  - PECI Canned Briefing
  - Information Sheets/Tri-sheets
  - Web Site
  - PECI User guide
  - Newspaper articles
  - Other
- Site Visits -- Briefings, Orientation, etc.
  - Where possible, very useful
  - Senior level awareness/sponsorship key

Promoting and Publicizing PECI

- Fighting misconception -- 'Taking My Manpower'
  - Stigma attached to PECI -- often hard to overcome
- Other Challenges
  - Geographic dispersion
  - Resources
  - Staff turnover
  - Other analyst responsibilities

AIR FORCE

PRODUCTIVITY

A Way To The Future

Project Analysis and Customer Support

- Varies, but smooth function
- Coordination with Project Analyst -- usually early
- Coordination with FM and Functionals
- Most projects have been adequately prepared/coord.
- Offsets is key
- Working a 'Base-level' project can involve a lot of legwork/support
  - Not many PECI projects/infrequent exposure
  - Experience factor
- Hard Savings v. 'Cost Avoidance'
- Time frame varies: 2 - 4 months

Funding Projects

- Various FM Reports, Manager Spreadsheets
- Process runs fairly smoothly
- PECI PDS can help: timely 3547 submission
- Important to track funds direction and obl/exp status
  - Current status important
  - Keep track of additional or excess funds
  - Funds usually kept at HQ MAJCOM
- Update status in PECI PDS

Project Execution

- "Once people get $$ they don't want to hear from you again"
- Coordination with project managers
- 3547 Submission - update PECI PDS
- Track $$

Training

- No real formal training
- Cost/Benefit of training - spend $ on few and/or infrequent projects
- Correlation training and participation
- Leverage PECI Web-based Training

Summary - Program Changes

- Movement away from Manpower, more focus on O&S
- Rise of A-76, ABC, etc. efforts 'crowd out' potential projects
- Program Awareness or 'stigma'
- Changes in manpower career field + multiple roles
- Declining Investment $$
- Declining Participation

Conclusions

PECI Business Process Review

PECI Program Overview

- Provide $$ for Capital Investments Yielding a Positive Return on Investment (ROI) - Approx. 10:1
- Fast Access to $$ - Alternative to Lengthy Budgeting Process
- Self-Sustaining Program
- Different Operating Environments
  - Geographically Disbursed
  - Mix of Full-time, Part-time and No-time
  - Different Levels of Knowledge, Support and Commitment
- Small resources + large savings = Opportunity

Emerging Themes

- All About the Dollars
- Majority of Projects Funded By Minority
- Difficulty 'Telling the Story' (FM, Leadership, Bases, etc.)
- Project Declining Participation Rates - outyear
- Training and Awareness

All About the Dollars

- PECI Self Sustaining - current projects fund future projects
- Investment creates Savings
- Savings create Offsets
- Offsets fund future projects
- Obligation Rates
- You provide the sunlight, water and nourishment that keeps PECI alive and growing
- PECI – Nearly $10 Billion Saved!

Minority Funds the Majority

- Most Commands have majority of projects by small group
  - Large # of HQ projects
  - Return shoppers
- Familiarity breeds PECI projects
  - A key to self-sustainment
- Expand familiarity, expand project base

Declining Participation

- Manpower vs. O&S Savings - declining manpower avail.
- A-76 Impacts - 'crowding effect'
- Multi-tasked Analysts
- Change in Manpower field
- Awareness and Understanding - the few, the proud

Declining Participation

- Decline in dollars and projects
  - See earlier slides
- Current programs fund future programs
  - Ancestral heritage key to Descendant destiny
- Current projects provide future savings/offsets

PECI 'Storytellers'

- Strong correlation between awareness and participation
- 'Getting the word out is key' to your eternal happiness
- Must fight pre-conceived notions
  - Manpower Kidnapping
  - Free $$
  - Hard Savings vs. Cost Avoidance
- *Spin a Yarn, avoid a Yawn and if successful a PECI Project you may Spawn*

AIR FORCE

PRODUCTIVITY
A Way To The Future

Training and Knowledge

- When you know you go!
- Training and Awareness are keys to participation
- Challenges:
  - Multiple roles/responsibilities
  - Turnover
  - Cost v. Benefit
  - Other

Discussion

- What do YOU Think???

Productivity Leadership

Instruction & Discussion

Training, Documentation and Newsletter

Overview

AIR FORCE

PRODUCTIVITY
A Way To The Future

Resources: Documentation, Training and Newsletter

- Easily accessible
  - Tutorial
  - Web Help System
  - Newsletter

PECI Tutorial

- Focuses on the basics
- Makes no assumptions
- Quick and easy
- PECI Main Interface, Quizzes and Simulations
- 5 main areas: Introduction, Essentials, Process, Marketing and PDS

4 Examples from the Tutorial

- Essentials
  - What is PECI?
- Process
  - Building
- Marketing
  - Opportunities
- PDS
  - FASCAP

PECI Web Help System

- More comprehensive
- There are 2 main topics:
  – PECI Program
  – PECI PDS

PECI Program

- PECI Program includes program guidelines as established by the AFI 38-301

- Covers the roles and responsibilities of key players at each organization level as covered by the AFI 38-301

PECI PDS

- Two types of users:
  - First-time users who don't know PDS
  - Experienced-users who need a reference manual
- System Architecture, Installing and Troubleshooting
- FASCAP, PIF 3547 and Validation
- Goes through the project cycle from PDS perspective

PECI Newsletter

- How much is enough?
- How often would you like the newsletter?
- Is the content appropriate?
- What other content ideas would you like to read about to improve the use of the PECI Newsletter?

Productivity Leadership

'Pyramid of Success' Instruction & Discussion

Productivity Leadership

PECI PDS User's Group

PECI PDS

- Connectivity Issues
- Help Desk Support
- Demo (Navigation/Common activities)
- Open/Interactive Forum
- Features (add or remove)

PECI PDS - Connecting

- CITRIX Program Neighborhood

  - If it exists already on your machine call Segue for support

  - If it does not exist download the custom install from the PECI Website

- New IP Address (Feb 2004)

- Certification

- Firewalls

- Printers – (Driver must exist on the PECI Server)

- Server Hosted at Segue

PECI PDS - Demo

- General Navigation / Overview
- FASCAP / PIF
- Maintenance Tab (Lookup values)
- Users/Coordinators (People)
- Adding Units
- Alerts
- Attachments
- Saving reports (PDF or RTF)

PECI PDS - Features

- Modification of current interface?
- New features that would be helpful
- Reports that are needed or not
- Other

Productivity Leadership

PECI
"Way Ahead"

Focus Areas

- Brainstorming
- Review of Conference Material
- Develop Strategy to Improve PECI Program

Productivity Leadership

'Providence for a Patriot'

Productivity Leadership

Conference Wrap-Up